

## Message Text

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PAGE 01 LISBON 03208 230019Z  
ACTION EUR-12

INFO OCT-01 EB-08 ISO-00 /021 W  
-----231045Z 085862 /10  
R 221652Z APR 77  
FM AMEMBASSY LISBON  
TO SECSTATE WASHDC 1067  
USDOC

UNCLAS LISBON 3208

COMMERCE FOR MEXD

E.O. 11652: N/A  
TAGS: BEXP, ENRG, PO  
SUBJECT: MAJOR EXPORT PROJECTS: SETUBAL THERMAL POWER PLANT

1. NATIONAL ELECTRICITY COMPANY ELECTRICIDADE DE PORTUGAL (EDP) IS BUILDING 1000MW THERMAL POWER STATION (FUEL OIL) AT SETUBAL, 40 KILOMETERS SOUTH OF LISBON. THE PROJECT IS BEING CONTRUCTED IN TWO MAIN PHASES. UNITS I AND II OF 250 MW EACH WERE STARTED BEFORE THE 1974 REVOLUTION. THEY WERE SCHEDULED FOR COMPLETION BY EARLY 1977. DUE PRINCIPALLY TO LATE DELIVERIES FROM DOMESTIC SUPPLIERS, HOWEVER, UNIT I IS NOW SCHEDULED FOR COMPLETION BY EARLY 1978, AND UNIT II BY THE SECOND HALF OF 1978.

2. DUE TO DELAYS IN DECISION ON PROPOSED NUCLEAR POWER PROGRAM, EDP NOW PLANS TO GO AHEAD WITH UNITS III AND IV, WITH CONSTRUCTION OF UNIT III TO BEGIN BY OCTOBER 1977 AND UNIT IV TO FOLLOW IN 1978. UNIT III IS SCHEDULED FOR COMPLETION BY 1981 AND UNIT IV BY 1983.

3. FOLLOWING IS INFORMATION ON CAPACITY AND COST FOR UNIT III:  
A. INSTALLED CAPACITY 250 MW, WITH GUARANTEED PRODUCTION (AT 5,300 HOURS/YEAR) OF 1,620 GWH, AND AVERAGE PRODUCTION FOR MEDIAN YEAR OF 1,320 GWH.  
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B. TOTAL COST OF PROJECT BUDGETED FOR 2.72 BILLION ESCUDOS (\$70.3 MILLION AT 38.7 ESCUDOS/DOLLAR).  
C. BUDGET DIVISION:  
1. EQUIPMENT -60 PERCENT  
--TURBINE GROUP - 29 PERCENT  
--STEAM GENERATOR GROUP -15 PERCENT  
--COMPLEMENTARY ELECTRICAL EQUIPMENT -10 PERCENT

--COMPLEMENTARY MECHANICAL EQUIPMENT-6 PERCENT  
2. CONSTRUCTION -10 PERCENT  
3. ENGINEERING AND SUPERVISION-4.5 PERCENT  
4. GENERAL AND DEPARTMENTAL CHANGES-1.5 PERCENT  
5. PROVISION FOR UNFORESEEN EXPENSES-7 PERCENT  
6. INTEREST PAYMENTS DURING CONSTRUCTION-17 PERCENT  
D. FOREIGN COMPONENT ESTIMATED TO TOTAL 500-600 MILLION  
ESCUDOS (\$12.9 - 15.5 MILLION).

4. COMMENT: A. U.S. SUPPLIERS INTERESTED IN CONTRACTS  
FOR THIS PROJECT SHOULD BE AWARE THAT COOPERATION WITH  
PORTUGUESE FIRM AND FOREIGN FINANCING WILL PROBABLY BE  
AS IMPORTANT TO WINNING BID AS QUALITY AND PRICE.  
B. EMBOFF PLANS TO VISIT SITE LATE APRIL. WILL FORWARD  
FURTHER INFORMATION WHEN AVAILABLE.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BUDGETS, DATA, THERMAL POWER, ELECTRIC POWER PLANTS, CIVIL ENGINEERING  
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**Copy:** SINGLE  
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**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
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**Disposition History:** n/a  
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**Drafter:** n/a  
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**Review Exemptions:** n/a  
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**Review Withdrawn Fields:** n/a  
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**Status:** NATIVE  
**Subject:** MAJOR EXPORT PROJECTS: SETUBAL THERMAL POWER PLANT  
**TAGS:** BEXP, ENRG, PO, EDP  
**To:** STATE COM  
**Type:** TE  
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